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SENATE BILL 526

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO TAXATION; PROVIDING A ONE-TIME CREDIT FOR A NEW MEXICO TAXPAYER BASED ON THE NUMBER OF PERSONAL EXCEPTIONS; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] TAX CREDIT--2008 TAXABLE YEAR.--

A. Except as otherwise provided in this section, a resident who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a one-time credit during the 2008 taxable year in an amount pursuant to Subsection C of this section. The credit provided in this section may be referred to as the "New Mexico taxpayer credit".

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1 B. For the purposes of this section, the total
2 number of exemptions for which a tax credit may be claimed or
3 allowed is determined by adding the number of federal
4 exemptions allowable for federal income tax purposes for each
5 individual; provided that, in the case of a husband and wife
6 who have filed a joint return where only one individual is a
7 New Mexico resident, the number of exemptions shall be reduced
8 by one.

9 C. Except as otherwise provided in Subsection D of
10 this section, the tax credit provided for in this section is
11 allowed for the amount shown in the following table:

12 Adjusted Gross And the total number of exemptions is:

13 Income is:

14	Over	But not	1	2	3	4	5	6 or
15		over						more
16	\$0	\$10,000	\$56	\$88	\$108	\$120	\$133	\$140
17	10,000	20,000	52	80	101	112	119	123
18	20,000	35,000	49	73	91	98	102	106
19	35,000	45,000	46	67	81	88	91	95
20	45,000	60,000	28	39	46	49	52	55
21	60,000		24	32	39	40	42	45.

22 D. If a resident's adjusted gross income is less
23 than or equal to zero, the resident is entitled to a credit in
24 the amount shown in the first row of the table appropriate for
25 the resident's number of exemptions.

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1 E. Except as otherwise provided in this section, the
2 secretary shall make a payment of the tax credit provided for in
3 this section not later than December 15, 2008 to each resident
4 who filed a 2007 New Mexico personal income tax return. Payment
5 amounts shall be based on the number of federal exemptions
6 allowable for federal income tax purposes on the 2007 New Mexico
7 personal income tax return of the resident for whom a credit is
8 allowed pursuant to this section and on the federal adjusted
9 gross income reported by that resident on the same return. A
10 resident who does not receive a payment may claim the tax credit
11 provided for in this section on that resident's 2008 New Mexico
12 personal income tax return based on the federal adjusted gross
13 income and on the number of federal exemptions allowable for
14 federal income tax purposes reported on that return.

15 F. The department shall not make a payment of the
16 tax credit provided for in this section to a person who:

17 (1) was an inmate of a public institution for
18 more than six months during the 2007 taxable year; or

19 (2) was not a resident of New Mexico on the
20 last day of the 2007 taxable year.

21 G. The department shall not allow a tax credit
22 provided in this section to a person who claims the credit on
23 that person's 2008 personal income tax return, but:

24 (1) was an inmate of a public institution for
25 more than six months during the 2008 taxable year; or

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1 (2) was not a resident of New Mexico on the
2 last day of the 2008 taxable year.

3 H. The secretary may adopt regulations necessary to
4 administer the provisions of this section.

5 I. For purposes of this section, "dependent" means
6 "dependent" as defined by Section 152 of the Internal Revenue
7 Code."

8 Section 2. APPROPRIATION.--Five hundred thousand dollars
9 (\$500,000) is appropriated from the general fund to the taxation
10 and revenue department for expenditure in fiscal years 2008
11 through 2010 to administer the tax credit provided for in
12 Section 1 of this 2008 act. Any unexpended or unencumbered
13 balance remaining at the end of fiscal year 2010 shall revert to
14 the general fund.

15 Section 3. APPLICABILITY.--The provisions of this act
16 apply to the taxable year beginning on January 1, 2008 and
17 ending on December 31, 2008.

18 Section 4. EMERGENCY.--It is necessary for the public
19 peace, health and safety that this act take effect immediately.